

**OHIO HIGHER EDUCATIONAL FACILITY COMMISSION**  
**MINUTES OF THE MEETING OF THE COMMISSION**

**March 20, 2019**

The Ohio Higher Educational Facility Commission (the "Commission") met on Wednesday, March 20, 2019, at 11:00 a.m. at the Ohio Department of Education Building, 25 S. Front Street, Columbus, Ohio, written notice of which had been given to all members of the Commission.

The following members attended: Thomas Needles, Chair; David Cummins, Vice Chair; John Martin, Secretary; John Adams; Wanda Carter; James Shindler; and James Wilson. Absent was: Susan Tate. Also present was a representative of the institution appearing before the Commission; Ben Christensen of the Ohio Department of Higher Education; Alexander G. Burlingame of Squire Patton Boggs (US) LLP, Bond Counsel to the Commission.

The meeting was called to order by the Chair. Upon call of the roll, the Secretary declared that a quorum was present. He also stated that the notice of this meeting had been given to all media, organizations or other persons who requested that information in accordance, and in full compliance, with Section 121.22 of the Revised Code.

The Chair noted that the minutes of the Commission meeting of February 20, 2019 were sent to each member prior to this meeting; those minutes are also included in the meeting books for each member. Upon a motion by Mr. Wilson that was seconded by Mr. Shindler, all Commission members present approved the minutes of that meeting.

## **CLEVELAND CLINIC FOUNDATION**

Report of Public Hearing: The Chair next opened the public hearing required by applicable federal tax regulations related to the Cleveland Clinic Foundation. Notice of the hearing was continually posted on the Commission's website starting March 8, 2019. The Chair inquired as to whether there were any comments. No comments having been made and the Commission having received none in the mail or otherwise prior to the hearing, the Chair closed the public hearing.

The Chair next called upon Susan Nobile to speak to the Commission members regarding the Cleveland Clinic Foundation's financing request. Mr. Nobile thanked the Commission members, noting that she was providing an update from her presentation at the Commission's February meeting. In respect of 2018, Ms. Nobile noted that the health system received approximately eight million outpatient visits and had approximately \$8.9 billion of operating revenue. There are 18 hospitals in the health system, five of which are in Florida. The health system enjoys approximately \$18.9 billion of investments and approximately \$4 billion of long-term debt. In addition to the health system's Ohio financing, it also is financing its acquisition of the Martin Health System in Florida. It is financing the acquisition of the Indian River health system with its own funds. The plan of finance includes funds for new projects, as well as the refinance of existing indebtedness. It is expected that the bonds will be issued in multiple series, including a variable rate series for which the health system will provide self-liquidity and a series for which liquidity support will be provided by a bank. The health system is working through the rating process and hopes to print an offering document in early April. Barclays and Citi will be the lead underwriters for the transaction. Ms. Nobile then inquired of the Commission members as to whether there were any questions.

In response to questions from Mr. Adams and Mr. Cummins, Ms. Nobile noted that the plan of finance included the unwind of debt that financed parking and research facilities in Cleveland, as well as facilities at the Beachwood campus. The health system has no formal ceiling on its debt capacity, and it is likely there will be future additional debt given the health system's capital plans. However, the health system always is mindful of its ratios and ratings when considering any new indebtedness. In response to questions from Mrs. Carter and Mr. Shindler, Ms. Nobile noted that the health system also has a facility in Las Vegas, Nevada. The acquisition of the Martin Health System in Florida was in part based on the need to improve the scale of operations in that State. The Indian River health system is in Vero Beach, Florida. The health system used to have a facility in Naples, Florida. In response to questions from Mr. Needles and Mr. Adams, Ms. Nobile noted that rural hospitals can have a tougher time given reimbursement rates for less complicated medical procedures. The health system was ranked second overall in the United States by US News, behind the Mayo Clinic. It is in the top 20 in overall size. Health system rankings include number one rankings in heart care and urology, and several other top five rankings. It is expected that interest costs on variable rate bonds with bank liquidity support, as compared to bonds with self-liquidity support, should be very similar.

Mr. Burlingame stated that the bond documents have been prepared and are presented in substantially final form. The resolution under consideration approves the issuance of the bonds and related documents.

Mr. Adams moved and Mrs. Carter seconded the motion that Resolution No. 2019-06 be adopted.

There being no further discussion, the Chair called for the roll and, pursuant to the roll call, the following votes were cast:

Aye: Adams; Carter; Cummins; Martin; Needles; Shindler; Wilson


Nay: None

The Chair declared the motion passed and Resolution No. 2019-06 adopted.

Resolution No. 2019-06 is as follows:

**OTHER BUSINESS CALL OF NEXT MEETING AND ADJOURNMENT**

It is now expected that the Commission will next meet on April 9, 2019 in Columbus, if necessary, or upon the call of the Chair. On a motion duly made and seconded, the meeting was adjourned.

 4/9/2019  
Secretary